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IB - 324/63  
20 November 1963

MEMORANDUM FOR: Chief, Manufacturing and Services Division, ORR

ATTENTION : [REDACTED]  
THROUGH : Chief, Requirements Branch, Reconnaissance Group, COS  
FROM : Chief, CIA/PID (NPIC)  
SUBJECT : Daiven Arsenal Complex  
REFERENCES : (1) ORR Requirement No. C-RR3-80,522/63 (Revision)  
(2) CIA/PID Project No. C 1426-63

1. This memorandum is in response to the referenced requirement which asks for the analysis of Arsenals in Daiven, China, including the level of current production and expansion since 1960.

2. Analysis of photo coverage, [REDACTED]  
[REDACTED] reveals only three installations which could be considered to be associated with the munitions industry. There were other alleged arsenals in Daiven. These industries could be located, however, it was impossible to confirm any relationship with military goods. Enlargements of these unconfirmed plants have been obtained and are available for inspection by the requester.

3. A large chemical plant, known as the "Chemical Arsenal", is outlined in green and white on enclosure CIA/PID/IB-P-725/63. Although there is no indication of explosive manufacturing, there is evidence which indicates that chemicals used in explosive manufacturing are produced. The large gas producing section is engaged in the production of gases rich in both hydrogen and nitrogen as well as fuel gas. A nitrogenous fertilizer section is present which could be producing ammonia, nitric acid and ammonium nitrate. Ammonium nitrate is an explosive as well as a fertilizer. Soda ash, chlorine, caustic soda and sulfuric acid are also produced at the "Chemical Arsenal". The activity level of the plant appears high, judging from the smoke and steam being generated, as well as the rail and ship traffic.

4. A large steel plant, complete with rolling mills, foundries, forges, and machine shops is located adjacent to the "Chemical Arsenal" and is the so called "Steel Arsenal". The "Steel Arsenal" would be capable of producing heavy weapons, such as gun barrels and tanks, as well as shell casings which are

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reported to be one of its products. No positive evidence that this plant is producing military goods has been discerned. The production level is fairly high, many stacks are emitting smoke, raw materials and end products are stored in the open and vehicles are present.

5. The only installation observed on the photo coverage which is definitely explosive in appearance is known as Chemical Sub-Arsenal No. 5 (Enclosure CIA/PID/IB-P-726/63). This name would indicate it is connected administratively with the large "Chemical Arsenal".

The presence of heavily rewetted buildings, its generally isolated location, and dispersion of buildings all point to explosive production and storage. It is not possible to determine the kind of explosive being produced. Activity level is low at present, no smoke or steam being observed from any of the operations. A small blast furnace, hot stove set-up is present although probably not connected with the explosive operations. It is not in operation.

6. The following reference material was used in preparation of this report:

Maps:

WAC 381 Unclassified  
ATC-Series 200, 0381-10A Secret  
ATC-Series 100, 0381-777-100A Secret

Collateral

Urban Intelligence Report Series, Report 140,  
5 August 1955, (Confidential)

7. The photo analyst assigned to this project was [ ] who may be contacted on extension [ ] should any questions arise concerning this requirement. This requirement is considered to be answered by this memorandum and enclosures.

Enclosures: 2 Annotated Photo Enlargements  
CIA/PID/IB-P-725 and 726/63

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